Tonto Apache Tribal Gaming Commission

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July 24, 2012

Ms. Tracie L. Stevens, Chairwoman National Indian Gaming Commission 1441 L St. NW. Suite 9100 Washington, D.C. 20005

Dear Chairwoman Stevens:

The Tonto Apache Tribal Gaming Commission (TATGC) submits this comment to the National Indian Gaming Commission's ("NIGC") request for part 547 on Class II Technical Standard. Specifically, any additional or extended time granted for the 'grandfather clause' are inconsistence in the manner that reflects regulatory inspection activities for gaming machines. Furthermore, NIGC must rule that all activities related to Class II and III slot machines must meet or exceed industry standards, Random Number Generator (RNG), and other full laboratory testing.

The Tribes in the State of Arizona, through the Compact must regulate all Class III gaming machines, which are subject to full and comprehensive RNG laboratory testing. Comparatively testing slot machines to meet gaming industry standards are very critical and no one undermines Tribal efforts to meet these standards. To regulate the software and recognize the difference between Class III and Class II, as currently practiced, imposes a risk where aging systems become non compatible, and the advancement of new technology become even more expensive as time elapses.

The current proposed NIGC Minimum Control Standards for Class II Gaming Equipment, Rule 547.14 states:

What are the minimum technical standards for electronic random number generator?

- Requires use of an unbiased algorithm with any bias reported to the TGRA
- Mandatory testing of RNG
 - o Chi-square test
 - o Runs test
 - Serial correlation test
 - o Additional tests as discretion of TGRA

Whereas, The Tonto Apache Tribal Gaming Commission is recommending that NIGC considers removing the grandfather clause,

Whereas, replacing the Class II software standards with the mandatory testing of RNG for all Class II gaming machines.

Whereas, a comprehensive outline be established as a requirement for RNG testing.

Whereas, Rule 547.14 be stated as:

Selection of the game symbols or production of game outcomes by an RNG shall:

- 1. Be statistically independent
- 2. Conform to the desired random distribution
- 3. Pass necessary statistical testing
- 4. Be unpredictable

The laboratory shall conduct tests necessary to determine whether the random values produce by the RNG achieve a confidence of at least 99%. These tests may include, but not limited to:

- 1. Chi-square test
- 2. Equi-distribution (frequency) test
- 3. Gap test
- 4. Overlap test
- 5. Poker test
- 6. Coupon collectors test
- 7. Kolmogorov-Smirnov test
- 8. Adjacency criterion test
- 9. Order statistic test
- 10. Run test (pattern of occurrences shall not be recurrent)
- 11. Interplay correlation test
- 12. Serial correlation test potency and degree of serial correlation (outcomes shall be independent of the previous game)
- 13. Tests on subsequences

Thank you for your consideration regarding the matter.

Sincerely,

Chairman, Art signe

AS: rw

Cc: Louise Lopez, Tribal Chairwoman

Tribal Council Members Glenn Feldman, Attorney